

**Document:** Proposed Rule

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**TITLE 35 BOARD OF TRUSTEES OF THE  
PUBLIC EMPLOYEES' RETIREMENT  
FUND**

**Proposed Rule**  
LSA Document #00-231

DIGEST

Adds 35 IAC 1.2-8 concerning the implementation of cost-of-living procedures under IC 5-10.2-5-29 and IC 5-10.2-5-30 as added by P.L.228-1999. Effective 30 days after filing with the secretary of state.

**35 IAC 1.2-8**

SECTION 1. 35 IAC 1.2-8 IS ADDED TO READ AS FOLLOWS:

**Rule 8. Cost-of-Living Adjustment**

**35 IAC 1.2-8-1 Calculation**

**Authority:** IC 5-10.3-3-8

**Affected:** IC 5-10.2-5-29; IC 5-10.2-5-30

Sec. 1. A cost-of-living adjustment based on purchasing power replacement shall be calculated using the following elements for determinations made as of July 1:

- (1) The Consumer Price Index-W from the prior March 31 shall be used.
- (2) For comparative purposes, the appropriate prior years' March 31 Consumer Price Index-W numbers shall be used.
- (3) Retirees will be grouped (based on their latest retirement or disability date) by twelve (12) month periods running from July 2 through the following July 1. A single net adjustment percentage shall be calculated for each such group.
- (4) Minimum and maximum amounts in prior postretirement adjustments shall not be taken into account.
- (5) So-called "13<sup>th</sup> checks" shall not be taken into account.

*(Board of Trustees of the Public Employees' Retirement Fund; 35 IAC 1.2-8-1)*

**35 IAC 1.2-8-2 Formula**

**Authority:** IC 5-10.3-3-8

**Affected:** IC 5-10.2-5-29; IC 5-10.2-5-30

Sec. 2. (a) The elements established in section 1 of this rule shall be used in the formula in subsection (b).

(b) Compare the cumulative Consumer Price Index increase for an affected group to the cumulative postretirement cost-of-living adjustments for that group, as determined under section 1 of this rule, and increase that group's pension portion by the percentage (if any) determined by the fund actuary, as necessary to reach the minimum purchasing power established by the Indiana general assembly, for example:

- (1) fifty percent (50%) for 1999; and
- (2) fifty-seven and four-tenths percent (57.4%) for 2000.

*(Board of Trustees of the Public Employees' Retirement Fund; 35 IAC 1.2-8-2)*

**35 IAC 1.2-8-3 Increases**

**Authority:** IC 5-10.3-3-8

**Affected:** IC 5-10.2-5-29; IC 5-10.2-5-30

**Sec. 3. The increase shall be applied as of July of any year established by the general assembly, the first such year beginning July 1, 1999.** (*Board of Trustees of The Public Employees' Retirement Fund; 35 IAC 1.2-8-3*)

***Notice of Public Hearing***

*Under IC 4-22-2-24, notice is hereby given that on January 29, 2001 at 2:00 p.m., at the Board of Trustees of the Public Employees' Retirement Fund, 143 West Market Street, Fifth Floor, Indianapolis, Indiana the Board of Trustees of the Public Employees' Retirement Fund will hold a public hearing on proposed administrative rules which PERF will use in the implementation of cost-of-living procedures to PERF retirees recently enacted in HEA 1986 (1999). Copies of these rules are now on file at the Board of Trustees of the Public Employees' Retirement Fund, 143 West Market Street, Harrison Building, Fifth Floor and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.*

E. William Butler,  
Executive Director  
Board of Trustees of the Public Employees' Retirement Fund